

KANSAS AGING PROJECTS COMMODITY MANUAL

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1000 General Information

The United States Department of Agriculture (USDA), under the authority and charge of public law, provides various foods to help meet many of the nutritional needs of children and adults. Under certain terms and conditions, these foods may be obtained by Federal, State and private agencies for use by eligible program recipients. USDA provides the foods to participating states and Indian Tribal organizations through a variety of food distribution programs. In Kansas, the Department of Social and Rehabilitation Services (SRS) orders the food from USDA and arranges for the receipt, storage and distribution to participating organizations, institutions, and facilities statewide.

Scope and Purpose

The Nutrition Services Incentive Program (NSIP) is one of the food distribution programs available through USDA. The Kansas Department on Aging (KDOA) is responsible for program and eligibility issues, while SRS is responsible for ordering the commodities and overseeing the commodity distribution. The Kansas Aging Projects Commodity Manual (KAPCM) has been developed in order to provide the policies and procedures to be followed in the ordering and distribution of USDA commodities for NSIP. Throughout the year, USDA buys a variety of foods through programs designed to stabilize farm prices. The food is processed, packaged and transported to designated storage locations within the state for use in preparing meals served to elderly at participating facilities. The state is responsible for the distribution and delivery of food to participating facilities.

1100 Commodity Availability

The type of products available varies from time to time depending on the agricultural market. USDA provides these foods in package sizes that are suitable for institutional use.

1101 USDA Entitlements to States

State entitlements are established by USDA. This entitlement allocation is based on the level of assistance per meal as required by the Older Americans Act of 1965, as amended, and on the number of eligible meals served within the state.

1102 State Entitlement Offers to Projects

Certain products are available to states on a very limited basis, due to the entitlement/allocation system. Kansas has established an allocation offer system to insure fair and equal product availability to participating NSIP projects.

KDOA determines the entitlement amount for each Area Agency on Aging (AAA). Each Area Agency on Aging or KDOA determines the entitlement amount for each participating project. Participating projects determine which of their facilities use commodities. (Not all NSIP projects participate in the commodity program. Of those projects that do participate, not all of their facilities receive commodities.)

Allocated quantities of commodities offered to participating projects are based on the following:

- 1102.1 Allocation of the commodity entitlement amount to NSIP projects is determined by KDOA. The SRS Food Distribution Unit, with input from participating projects, determines the variety of commodities chosen for the entitlement.
- 1102.2 Bonus products are available to projects that choose at least 20% of their cash entitlement in commodities. Bonus foods are not charged to a projects entitlement. The only charge is a per case handling fee. Facilities may choose not to receive bonus products because of the lack of proper resources to care for products or lack of need. Bonus foods not accepted are reallocated to the other facilities as stipulated in Section 1102.1 above or as otherwise determined by SRS when quantities are very limited.

1200 Division of Responsibilities

In order to properly administer the Nutrition Services Incentive Program (NSIP) commodity program there are various responsibilities which must be fulfilled by the Federal Government, the State, and participating facilities.

1201 Responsibilities of U.S. Dept. of Agriculture (USDA)

USDA is responsible for the proper administration of commodity programs nationwide. USDA responsibilities include the following:

- 1201.1 Develop and issue rules and regulations for states to implement and follow in the administration of commodities.
- 1201.2 Review and audit of the state distributing agency and a sample of participating facilities statewide to insure accountability and program integrity. Provide suggested corrective actions as a part of reviews when necessary.
- 1201.3 Determine state commodity allocations and arrange for the delivery of commodities from storage facilities and/or vendors to destinations designated by participating states.

1202 Responsibilities of SRS Food Distribution Unit

The Department of Social and Rehabilitation Services (SRS), Food Distribution Unit, has been designated to implement commodity ordering and distribution for NSIP in Kansas. The SRS Food Distribution Unit responsibilities for NSIP include:

- 1202.1 Order commodities from USDA and determine the delivery destination of these food products.
- 1202.2 Develop and modify state policies for ordering and distributing commodities, based upon federal rules and regulations, and assure uniform statewide compliance.
- 1202.3 Arrange for state level acceptance, storage, and shipping of commodities to various distribution locations statewide.

- 1202.4 Obtain a signed application/agreement (See Exhibit A) from each project's participating facilities and assure that these facilities understand and agree with the requirements and responsibilities of receiving commodities through NSIP. Original signed agreements shall be kept by the SRS Food Distribution Unit and a copy given to each participating facility. Initial application/agreements shall remain in effect for a period of **one** year from January 1st through December 31st. Subsequent application shall be required annually for determining eligibility for one year periods from January 1st through December 31st. Agreements may be otherwise terminated at any time by either SRS or the facility. The agreement may be terminated by mutual consent of both parties upon thirty (30) days written notice. If the recipient facility ceases to exist, changes ownership, or fails to perform according to the terms of the agreement, SRS and KDOA must be notified immediately. SRS reserves the right to terminate the agreement immediately and transfer any existing inventory of commodities to another location.
- 1202.5 The application/agreement form shall require facilities to provide information regarding the food services which they provide. In addition, the form provides SRS with updated information necessary to maintain current records and fulfill USDA and State reporting requirements.
- 1202.6 Establish a commodity service delivery throughout the state which will allow NSIP facilities in each area the opportunity to participate in accordance with USDA regulations and instructions.
- 1202.7 Review or audit participating state level carriers, participating facilities, processors and warehouses to ensure accountability and program integrity.
- 1202.8 Determine liability in the event commodities are lost, damaged, improperly distributed/used by carriers, warehouses, processors, facilities and others. Establish claims and take appropriate collection actions.
- 1202.9 Establish and monitor an annual program budget based upon state and/or "user fee" funding. This budget must allow for the payment of all SRS state level administrative expenses. Monitoring shall be completed by SRS, as mandated by federal regulations, in order to assure that the "user fee" charges do not exceed the actual cost of administering the commodity ordering and distribution for NSIP.
- 1202.10 Establish and maintain appropriate intra-state food ordering/delivery, billing/payment, and other necessary program operations for commodities.
- 1202.11 Maintain state level inventory, distribution, claim, and payment receipt records and provide USDA with reports as required.
- 1202.12 Investigate and respond to inquiries and/or concerns from USDA, Federal, State and local legislators, facilities, and concerned citizens regarding commodity issues.

1203 Responsibilities of Participating Facilities

Facilities may receive commodities through NSIP only if USDA, SRS, and KDOA guidelines are met, and the SRS NSIP commodity application/agreement form has been signed. Refer to Exhibit A for the official application/ agreement to be used.

Participating facilities must comply with the following:

- 1203.1 Maintain an established feeding operation on a regular basis as an integral part of its normal activities.
- 1203.2 Not discriminate against any person receiving food because of his/her race, ancestry, age, color, national origin, sex, disability, or inability or unwillingness donate to the facility (See Section 3000 for Civil Rights.)
- 1203.3 Insure that the number of meals served and all other information specified on the application/agreement form is accurate. Facilities and their supervising projects will be held liable for any commodities over allocated to them as the result of their inflating the number of recipients served.
- 1203.4 Order commodities from SRS in quantities which can be consumed without waste. It is the responsibility of the facility to demonstrate that the full value equivalent to the USDA cost of all commodities are used solely for the benefit of the facility.
- 1203.5 Remit payment in full for delivery of commodities within thirty (30) days following the date of the billing statement. Failure by a project to complete payment within thirty days (following the date of the billing statement) will constitute reason to suspend the program for such project's facility(ies) until payment of the delinquent account is made in full. See Section 7000 for specific details regarding billing/payments.
- 1203.6 Used commodities solely in prepared meals for the benefit of those persons served or assisted through NSIP. Commodities will not be otherwise disposed of or used for demonstrations, tests, or transferred to another facility without prior written approval of SRS. **Under no circumstances will commodities be sold or traded for other goods or services.**
- 1203.7 Provide facilities for the proper handling and storing of commodities. SRS and USDA are authorized to inspect, at any reasonable time, the foods in storage or the facilities and warehouses used in handling or storage of commodities. The recipient facility must: keep its storage facilities clean, dry, orderly; install thermometers in all storage areas (dry, refrigerated and frozen); provide suitable ventilation; provide security for storerooms; provide specified temperatures for certain commodities within their own buildings or in commercial cold storage; use all items on the basis of first in - first out; and take other steps as may be necessary in order to maintain the fitness for

human consumption of commodities. See Section 5000 for specific storage and handling requirements.

- 1203.8 Be liable for all losses or damages to commodities caused by negligence or improper use of commodities. Claims arising thereof may be levied by SRS against the recipient facility and the facility's supervising project to recover the monetary value of commodities so lost or misused. The recipient facility and the facility's supervising project will immediately notify SRS of any losses, "out-of-condition" commodities received or in storage, or excess inventories which cannot be used. Following the required notification of SRS, the recipient facility shall await/follow disposition instructions from SRS. See Sections 5000 and 8000 for specific details regarding losses and claims.
- 1203.9 **Do not under any circumstances provide commodities to processors or food service companies without prior approval of the SRS Food Distribution Unit. (See 2104 for details.)**
- 1203.10 Keep records pertaining to the receipt and use of commodities for a period of not less than three (3) years from the close of the current Federal Fiscal Year (October 1 through September 30). Reports shall be furnished to SRS as required. In instances when claim action and/or audit findings have not been resolved, records shall be retained as long as required for the resolution of such actions or findings.
- 1203.11 Permit SRS and/or USDA personnel to inspect, at any reasonable time, the commodities in storage, or the facilities or warehouse(s) used in the handling or storage of commodities. The recipient facility must also make available, to SRS and to USDA personnel for examination and audit at any reasonable time and place, all accounts and records, pertinent to NSIP. See Section 6000 regarding specific record keeping requirements.
- 1203.12 Report to SRS any complaints in connection with the receipt and use of commodities.
- 1203.13 In the event either SRS or the recipient facility or the facility's supervising project terminates participation in the program, comply with instructions from SRS to either utilize all remaining inventories or transfer the remaining inventories to another eligible recipient agency designated by SRS, bear all costs incurred relating to such transfer, and transmit such reports as may be required by SRS to record final disposition.
- 1203.14 SRS recommends that regular monthly inventory be taken by every facility. Facilities are required to taken an annual physical inventory that shall reconcile with the facilities records. These records must be kept for a period of not less than three (3) years from the close of the current Federal Fiscal year.

Each of the eleven Area Agency on Aging (AAA) in Kansas determines the project(s) that feed elderly for a part of their area. NSIP projects have a choice of receiving their entitlement wholly in cash or receiving a portion of the entitlement in commodities. Those projects wishing to receive commodities must notify KDOA and SRS of that choice by April 30 with certification of their participating facilities to receive commodities to begin January 1. Those projects which choose to receive 20% of their entitlement in commodities will also receive bonus commodities which become available from USDA throughout the year (for bonus see 1102.2). Projects which choose to receive commodities must have eligibility for commodity receipt determined by SRS for each of their participating facilities. For specific information about NSIP eligibility contact your local Area Agency on Aging Office. For specific information about commodities, contact the EES Food Distribution Unit, 915 SW Harrison, 681-W, Topeka, KS 66612-1505.

2100 NSIP Commodity Certification

An application/agreement form (see Exhibit A) must be executed between SRS and an NSIP facility in order to assess the facility's eligibility to receive commodities. The form provides detailed basic requirements that participating facilities and SRS must agree to, and abide with. In addition, the form provides SRS with basic information regarding the applicant facility. Eligibility to receive commodities is based upon a facility meeting all SRS, KDOA, and federal eligibility standards, and a facility's willingness and ability to abide by all SRS, KDOA, and federal regulations. Eligibility to receive commodities must be determined before commodities will be provided to any facility.

2101 Initial Certification

Under normal circumstances, eligibility to receive commodities shall be determined by SRS within 30 days from the date a completed application, signed by an authorized facility representative and the facility's supervising project representative, is received by SRS. The determination of eligibility to receive commodities is completed as follows:

- 2101.1 Application forms are reviewed by SRS for completeness. If the application is incomplete and/or additional information is needed, an SRS commodity program representative shall contact the facility in writing. The facility shall be informed as to what additional information or documentation is needed in order to fulfill application requirements and a date by when the information is needed. Failure, on the part of the facility, to provide the required information by the date requested shall result in denial of the request to certify the facility to receive commodities.
- 2101.2 Once the application and all necessary documentation is received by SRS, an initial pre-determination screening shall be completed by an SRS commodity program representative. If the facility is clearly ineligible based upon information contained on the application and/or other documentation, the application will be denied at that time, and KDOA notified. If the facility appears to be potentially eligible to participate in the program, an on-site pre-certification visit shall be completed.
- 2101.3 The on-site pre-certification review conducted by an SRS representative shall consist of the following:

- (1) meet and acquire information from various staff members including information regarding areas of the Facility's commodity responsibilities;
- (2) review the application/agreement form with facility staff and present an overview of basic commodity regulations;
- (3) explain commodity ordering, allocation of commodity delivery procedures;
- (4) explain commodity billing and payment procedures and policies;
- (5) perform an on-site review of food inventory and usage records, food preparation and storage areas, and other operating procedures;
- (6) provide technical assistance and other recommendations to facility staff regarding commodities; and
- (7) make a recommendation as to whether or not the facility should be certified to receive commodities. Any reasons for non-certification, and/or any corrective actions needed, are also noted in the recommendations.
- (8) Notify KDOA of the recommendations.

In addition to initial applicants, on-site pre-certification reviews must also be conducted for facilities reapplying because of a change in ownership or reapplying following a period of ineligibility of 12 months or longer.

- 2101.4 A determination is made by an authorized SRS commodity program representative as to whether or not the facility is eligible to receive commodities.
- 2101.5 The facility is notified in writing, within thirty (30) days from the date of the determination, as to the decision regarding eligibility to receive commodities. Facilities are informed of the decision regardless of whether or not they are determined to be eligible.
- 2101.6 If a facility has been determined to be **ineligible** to receive commodities, SRS shall notify them of the reason(s) for denial and any corrective actions necessary to become eligible. KDOA shall also be notified.
- 2101.7 Facilities which are determined to be **eligible** to receive commodities shall be informed by SRS of the following:
- (a) certification period (January 1 through December 31),
 - (b) account and customer number,

- (c) any corrective actions needed including a date to have them completed by,
- (d) date of the first (next) opportunity to order/receive commodities,
- (e) a policy and procedure manual shall be provided to each approved facility.

2102 Certification Period

Once an NSIP facility has been determined eligible to receive commodities, a certification period is assigned. The certification period establishes the length of time a facility may actively order and receive commodities. Certification periods are established for a period of twelve (12) months from January 1 through December 31 of any calendar year a facility is determined eligible to receive commodities.

2103 Recertification

Once the initial certification period has expired, a facility must be recertified in order to continue to receive commodities. The recertification process is as follows:

2103.1 SRS shall mail each participating facility a recertification application/agreement form (see Exhibit A) prior to the end of the current certification period.

Recertifications are completed once each year by December 31st. Information received on recertification forms is used to:

- (1) determine ongoing (continued) eligibility to receive commodities;
- (2) update SRS records regarding the facility;
- (3) provide a self-monitoring tool for facilities to review commodity activities and requirements; and
- (4) provide SRS information for reporting purposes.

2103.2 Participating facilities must complete, sign and submit a recertification application in order to continue to receive commodities beyond the expiration date of any previous certification period. The application should be read carefully and completed by a person or persons having knowledge of the facility's operations and authority to sign on behalf of the facility. It is preferred that the same person who signed the agreement form also sign the recertification application form. The facility's supervising project must also sign the facility's recertification application.

2103.3 All recertification applications for receiving commodities must be processed by SRS, resulting in the approval or denial of the facility's

continued eligibility to receive commodities. Under normal circumstances eligibility shall be determined by SRS within 30 days from the date the completed and signed commodity recertification application form is received by SRS. KDOA will be notified of any facilities that are not recertified to receive commodities. Processing commodity recertification applications includes the following:

- (1) Application forms are reviewed by SRS for completeness. If the application is incomplete and/or additional information is needed, an SRS commodity program representative shall contact the facility in writing. The facility shall be informed as to what additional information or documentation is needed in order to fulfill commodity application requirements and a date indicating when the information is needed. Failure, on the part of the applicant facility, to provide the required information by the date requested shall result in denial of the recertification application to receive commodities.
- (2) A review of the commodity applicant's recertification application and other information is performed by an SRS commodity program representative. Information provided by the commodity applicant is assessed to assure participation requirements are met.
- (3) A determination is made by an authorized SRS commodity program representative as to whether or not the facility is eligible to continue to receive commodities.
- (4) The commodity applicant is notified in writing, within thirty (30) days from the date of the determination, as to the decision regarding the continuation of eligibility to receive commodities. Commodity applicants are informed of the decision regardless of whether or not they are determined to remain eligible to receive commodities.
- (5) If a facility has been determined to be ineligible to receive commodities, SRS shall notify them of the reason(s) for denial and any corrective actions necessary to become eligible to receive commodities. KDOA shall be notified.
- (6) Facilities which are determined eligible to continue to receive commodities shall be informed by SRS of the following:
 - (a) certification period (January 1 through December 31);
 - (b) any corrective actions needed including a date to have them completed by; and
 - (c) any other applicable program/policy information.

Projects or facilities which employ food service companies for the feeding of recipients will be eligible to receive commodities. The project will present the contract to SRS for approval before the projects' facility can be certified as eligible to receive commodities. The terms of the contract must be in effect for no longer than one year, may be extended at the option of both parties for four additional one-year periods, and may be terminated for cause by either party upon 30 days notice. All state and federal regulations regarding the processing of foods will have to be met before SRS will approve any food service/processing contract. **Do not under any circumstances provide commodities to processors or food service companies without prior approval of the SRS Food Distribution Unit.** Any commodities received by the facility and made available to the food service company shall be used only for the benefit of the facility's feeding operation. The books and records of the food service company pertaining to the feeding operation of the facility shall be available for a period of three (3) years from the close of the Federal fiscal year to which they pertain for inspection and audit by representatives of SRS and USDA. A Food Service Company Contract Addendum (See Exhibit F) must be executed between the project and the food service company before such company may agree to prepare USDA food. This Food Service Company Contract Addendum must be completed with and be attached to the application/agreement form. The addendum form provides detailed basic requirements for participating facilities that utilize food service companies in preparing commodities. A new Food Service Company Contract Addendum is required for each subsequent certification period.

3000 Civil Rights Compliance

For questions on Civil Rights or Civil Rights Complaints, contact the Kansas Department on Aging, New England Building, 503 South Kansas Ave, Topeka, KS 66603-3404.

4000 Food Orders and Delivery

In order to provide commodities to participating facilities through the NSIP (NSIP), certain order and shipment activities must be completed at the State and local level.

4100 Ordering

Foods are ordered from USDA by SRS. These foods are ordinarily placed in a warehouse until they are shipped to participating facilities. Facilities must order the foods from SRS before they are able to receive them. The NSIP order process is as follows:

4101 SRS

Foods are ordered from USDA by SRS. SRS shall attempt to order as great a variety of foods as possible and feasible. See Section 1100 for details regarding commodity availability. SRS ordering responsibilities are as follows:

- 4101.1 SRS shall order sufficient quantities of available foods from USDA to attempt to assure that facilities are provided with as much food as they can use within their allocation.
- 4101.2 SRS shall inform facilities of maximum order quantities. This information will be provided to facilities as foods are ordered from USDA by SRS.

- 4101.3 SRS always reserves the right to reduce quantities of food ordered by facilities in the event of product unavailability. However, the entitlement amount would be used for other available commodities.
- 4101.4 An opportunity to order commodities shall be offered to participating facilities on a monthly basis.
- 4101.5 SRS shall monitor returned order forms for completeness and appropriateness. This may involve reviewing prior order history, inventory levels or other data. Facilities will be contacted by SRS if potential problems are noted such as excess inventory levels or excessive/unusual order quantities of certain food items.
- 4101.6 Once SRS has received a completed food order from the participating facility, a confirmation copy of the order shall be mailed to the facility. This copy shall confirm:
- (1) SRS' receipt of the order,
 - (2) SRS' ability to fill the order,
 - (3) approval to receive the foods, and
 - (4) delivery information.

4102 Participating Facilities

Facilities will not be able to receive commodities through NSIP without completing a food order form. Food order forms are mailed by SRS to facilities monthly, one month in advance of when the foods will be delivered. Some situations may require SRS to send a special order offer in addition to the normal monthly order. Also, special circumstances may require SRS to obtain orders over the telephone. This telephone order procedure will only be used if **SRS** determines a special need exists. Telephone orders will not be accepted under other circumstances. Order procedures are as follows:

- 4102.1 Facilities must complete an order form before they receive any commodities. (See Exhibit E.) Facilities are not required to order food at each opportunity. Failure to order all foods will have no affect upon the facility's eligibility to participate in the commodity program. However, failure to order any food for several months may result in an inquiry as to the need for continuation of commodity participation by the facility.
- 4102.2 Food can only be received so that quantities ordered are sufficient to fill the needs of the facility.
- 4102.3 Facilities must never order quantities of any food item(s) that they cannot provide adequate storage for and use without waste. No more than a one (1) months supply should be ordered, unless otherwise instructed.

- 4102.4 Foods ordered by the facility must either be picked up by the facility or will be delivered by SRS as indicated in the delivery information provided by SRS.
- 4102.5 Project's facilities which fail on two consecutive occasions to accept food which has been ordered will be terminated from the program and/or charged the actual cost of shipping and handling the products to and from the delivery point.
- 4102.6 Regulations mandate that inventory quantities of any item cannot exceed a six (6) month supply.

4200 Delivery

USDA provides commodity products to Kansas in truckload quantities. SRS warehouses these products until facility orders are filled and the foods are delivered or picked up by participating facilities. Deliveries to facilities are arranged by SRS.

4201 Delivery Standards

SRS shall make commodities available to participating facilities. Certain delivery standards will be followed:

- 4201.1 Most facilities will receive direct delivery of their foods. Some facilities, however, because of the size of their order and/or geographic location may be required to drive to an SRS designated delivery point to pick up their foods.
- 4201.2 Some facilities may be asked to allow SRS to use their parking lot or loading dock as a delivery point for other facilities. This will not be done without the prior approval of the participating facility.
- 4201.3 No deliveries will be made on weekends and holidays. Truck lines and warehouses are not readily available except during traditional work days. Special weekend or holiday delivery might be arranged in an emergency situation. However, the actual cost for such special delivery shall be charged to the facility's supervising project unless foods are provided as part of a federal/state disaster relief effort.
- 4201.4 No late night or early morning deliveries will be made. Shipping and receiving activities are only possible during traditional business hours. Also, Truck lines are unable to deliver during late night or early morning hours due to load and travel times involved. Delivery times will, therefore, ordinarily be limited to the hours of 8:00 A.M. to 5:00 P.M.
- 4201.5 **Delivery notification will be provided to participating facilities not less than one week in advance of the delivery date.** Notification will be in writing or by telephone. Every effort will be made to notify facilities of any schedule changes or delivery delays.
- 4201.6 A delivery receipt will be provided to facilities when foods are delivered/picked up. Facilities must sign the receipt and retain one

copy for their records. See Exhibit D for an example of the delivery receipt.

4202 Participating Facility Delivery Responsibilities

Participating facilities assume responsibility for the care and accountability of commodities upon acceptance. Certain precautions must be taken by the facility when receiving food from SRS. These are as follows:

- 4202.1 Facilities should count each food item to assure that the correct amount is received. Any overage or shortage of products must be brought to the attention of the delivery driver and noted on the delivery receipt.
- 4202.2 Facilities should observe the condition of each carton/container in which food is delivered to assure that no damage is visible. If cartons are damaged but the food is usable, facilities may wish to accept the products. If cartons are damaged and facilities do not wish to accept the products, this must be brought to the attention of the delivery truck driver and noted on the delivery receipt. (See Section 5301.1.)
- 4202.3 **Facilities must sign and date the delivery receipt.** Once the receipt is signed, the facility assumes responsibility for the food. Incorrect information on the delivery receipt could result in incorrect billings to facilities and/or inventory and accountability problems.
- 4202.4 A copy of the signed delivery receipt must be retained by the facility after each food delivery. The original shall be returned with the delivery truck driver. The signed receipt will provide the basis for billing of the facility's supervising project.
- 4202.5 **Facilities should never attempt to pay the delivery truck driver.** See Section 7000 regarding billing and payment procedures.

5000 Storage, Handling of Usable and Unusable Commodities

All commodities must be handled, stored and shipped under conditions that ensure the maintenance of their quality and safety. The care taken in the storage, handling and shipping of USDA products shall be no different than care taken with any other food products on the market. This section is intended to provide product information and requirements which must be observed in the storage, handling and shipping of commodities.

5100 General Food Handling Requirements

Maintenance of correct temperature, humidity and sanitary conditions are three of the most important factors to insure proper care for the product(s). All foods should be handled, stored and cared for in such a manner as to assure that only usable products reach the recipients. The following handling requirements must be followed:

- (1) Food shall be shipped, stored, handled and distributed in such a manner so as to ensure that federal, state and local health and sanitation standards are met.

- (2) Storage and handling areas must be climate controlled and organized in such a manner that food will not become damaged as a result of improper storage and care.

5200 Product Care Requirements

Commodities can be categorized as either "**perishable**" (requiring chill or frozen storage) or "**semi-perishable**" (requiring dry storage). Each of these categories, and the products within them, have distinct characteristics, susceptibilities and care requirements.

5201 Perishable Commodities

All chilled or frozen commodities are highly perishable and subject to rapid deterioration when improperly stored. Lack of proper temperature, humidity, air circulation, and sanitation will result in rapid spoilage and eventual loss of product. Most spoilage of chilled and frozen commodities is caused by microorganisms, particularly certain species of bacteria and fungi. Contamination spreads rapidly from decayed items to other contact areas. Frequent package inspection while in storage, followed by sorting and removal of decayed items, will keep losses to a minimum. **Stored commodities should be organized so that the commodities packaged earliest are issued first.** Each case/bale of product contains the package date. Older chilled or frozen commodities should not be allowed to accumulate in storage rooms. Frozen products should not be refrozen after having been defrosted. Occasionally, regardless of the package date, it may become necessary to issue some commodities quickly to avoid loss by spoilage. For specific storage guidelines of perishable commodities see Section 5203, Storage Life Table.

- 5201.1 Temperature: The storage temperature for all frozen commodities should be 0 degrees Fahrenheit or lower. Temperatures for chill storage are generally within the range of 32 degrees to 40 degrees Fahrenheit. Temperature for dry storage are generally within the range of 50 degrees to 70 degrees Fahrenheit. Facilities must provide thermometers in all freezers, coolers and dry storage in order to assure that proper temperatures are maintained. Any storage temperature guidelines printed on product packages should be followed.
- 5201.2 Humidity: Humidity within all storage areas must be controlled to prevent rapid deterioration in the quality of foods. Microorganisms require adequate moisture to grow and multiply. Yeast organisms, mold or bacteria grow in a certain humidity range. At lower temperatures and humidities there is less bacteria and enzyme action. Storage at a higher relative humidity may allow water to condense on or be absorbed in the item. While at a lower relative humidity the item may dry or shrink.
- 5201.3 Detection of Deterioration: Deterioration due to time in storage and variations in temperatures can be detected by periodic package inspection. Look for such defects as

dehydration (freeze burn), undue softness or mealy texture, discoloration, off odor, evidence of weeping, and evidence of rancidity and/or mold. While products with freezer burn may be safe to eat, they will not have a desirable color or palatability.

- 5201.4 Approximate Storage Life: The approximate storage life of commodities given in Section 5203, Storage Life Table, are estimates. They are based on commodity storage experience following recommended specifications. Therefore, procedures should be established to provide continuous monitoring from the time of receipt until the commodity is distributed. **The frequency of inspection should be established to ensure reasonable concern for the condition of the products is maintained.**

5202 Semiperishable Commodities

The term "semi-perishable commodities" refers to food items that are canned, dried, dehydrated or otherwise processed to the extent that such items may, under normal conditions, be stored in non-refrigerated spaces. Semi-perishable commodities should not be regarded as nonperishable commodities which do not require care or protection in storage. While semiperishable commodities are not nearly as susceptible to spoilage as perishable commodities, spoilage can and will occur if the products are mishandled, improperly stored, or stored for excessive periods of time. It is important to remember that the length of storage should be based on the date of packing and not on the date of receipt. Each bale or case of product contains the package date. For specific storage guidelines of semi-perishable commodities see Section 5203, Storage Life Table.

- 5202.1 Storage Precautions: Care should be taken that items are not stacked so high as to cause a bursting or crushing of the bottom layers. Items should not be stacked so high that the top layer is subjected to the higher temperature more prevalent near the ceiling or overhead. Stacking in close proximity to steam or other heated pipes should be avoided. Some method should be used to raise commodities off the floor and in such a way as to permit the circulation of air around them. Bagged items and those requiring insect control should not be stored in large masses in corners of the storeroom or directly against the walls; such storage leaves insufficient room for cleaning and inspecting.
- 5202.2 Causes of Spoilage: All food stuffs are subject to varying degrees of natural deterioration. This deterioration is inherent in the food itself. It should not be confused with the action of micro-organisms, chemical agents or other outside agents. This fact underlines the basic principle of storage that the oldest products by date of pack of an item should always be used first.

- 5202.3 Insects (Roaches, Flies, Weevils, Moths and etc): Insects can cause great damage to stored food, attacking both raw and manufactured food. Food stored at temperatures between 60 degrees Fahrenheit and 90 degrees Fahrenheit is especially attractive to insects. Infested products must be segregated, inspected, the infestation documented, and the products destroyed (See Section 5300). Cornmeal, especially, is susceptible to insect infestation and rancidity. Roaches and flies not only contaminate the foods but may spread disease. Pest extermination may need to be performed and should be done with strict adherence to regulatory rules and state laws in order to ensure health standards are maintained. Insect repellents, when used, should be used carefully under controlled conditions so as not to contaminate the foods.
- 5202.4 Rodents (Rats, Mice, etc.): Rodents not only physically destroy food by feeding, chewing, and cutting the bags for nests or nesting material, but also, contaminate food with their excreta and hairs. Rodents are carriers of filth and disease; therefore, the importance of controlling these pests is evident. The most effective method of control is to prevent entry of these animals.
- 5202.5 Freezing: Canned, dehydrated or low moisture foods may undergo accidental freezing if stored in areas where temperature controls fail during winter months in very cold climates. Ordinarily, freezing does not harm such products. If foods containing relatively large amounts of water, such as canned products, are frozen, the usefulness and palatability of such products probably has not been harmed. However, the physical appearance may suffer due to change in consistency and texture (softening). Emulsions such as cheese and butter may separate if the product is frozen; however, the food is not necessarily spoiled. Dry products such as grain, flour, and dehydrated foods are generally stored in non-refrigerated areas but can be stored in refrigerated areas if humidity is controlled. For these products caking is a risk with increased humidity.
- 5202.6 Temperature: A high temperature over long periods of time is detrimental to the keeping of almost all food products. High storage temperature encourages bacterial growth, mold growth, and insect infestation and is particularly dangerous when accompanied by high humidity. Chemical action is accelerated in higher temperatures causing rancidity in many items. Flour and other grain products, such as cornmeal and rice, are subject to insect infestation, particularly at high temperatures.
- 5202.7 Humidity: High humidity is detrimental to stored commodities by accelerating the growth of bacteria and molds promoting insect infestation and causing mustiness in flour, rice, and similar foods. High humidity causes products which readily absorb moisture to cake and become hard.

5202.8 Ventilation: Where sharply fluctuating temperatures and high humidity prevail, the lack of proper ventilation may cause excessively high temperatures. Proper ventilation is one of the most important factors in protecting foods. In some cases, it may be necessary to open doors and use fans to induce circulation.

5202.9 Lights: Damage from light is restricted to products that are packed in glass or transparent containers. Exposure causes color changes and may affect the flavor of foods containing oils and fats.

5202.10 Odor: Products such as flour will absorb odors and should be kept away from materials giving off distinctive odors.

5203 STORAGE LIFE TABLE

The table below is based on current research findings and is a general guide for storing various types of foods. As used in the table, "satisfactory" means this type of storage is acceptable. "Preferred" means this type of storage maintains quality of the product for a longer period of time. "Required" means that this type of storage is essential; there is no alternative to it.

Storage Life Table

Food	Dry Storage (50°-70°F)	Refrigerated Storage (36°-40°F)	Freezer Storage (0° or Below)
DAIRY PRODUCTS			
Butter (1)	-----	Satisfactory up to 2 weeks (Maximum 45°F)	Required over 2 weeks
Cheese, Natural (2) Processed	----- ----- -----	Required (Maximum 45°F)	----- ----- -----
Milk, Canned Fluid Whole Nonfat Dry (3)	Satisfactory ----- --- Satisfactory	Preferred Required (Maximum 45°F) Preferred	----- ----- ----- -----
EGGS			
Shell Dried Frozen	----- ----- -----	Required Required -----	----- ----- -----

	-----	---	Required
MEAT PRODUCTS			
Frozen Meats, such as Ground Beef; Hams, and Shoulders; Pork Loins; Turkeys, etc.	----- ---	----- ---	Required
Cured Hams and Shoulders; Bacon; etc.	----- ---	Required	----- ---
Canned Hams	----- ---	Required	----- ---
Other Canned meats, such as Beef and Gravy, Pork Luncheon Meat; Pork and Gravy, etc.	Satisfactory	Preferred	----- ---
FATS AND OILS			
Cottonseed Oil; Lard; Olive Oil; and Vegetable Shortening	Satisfactory	Preferred	----- ---

Food	Dry Storage (50°-70°F)	Refrigerated Storage (36°-40°F)	Freezer Storage (0° or Below)
CANNED VEGETABLES			
Green Beans; Beets; Corn; Green Peas; Tomatoes; Tomato Juice; Tomato Paste; Tomato Puree; Carrots; etc.	Satisfactory	Preferred	----- ---
CANNED FRUITS			
Orange Juice, Concentrated	----- ---	Required	----- ---
Other Canned Fruits, such as Apples; Applesauce;			

Apricots; Blackberries; Cherries; Cranberry Sauce; Figs; Grapefruit Sections; Peaches; Grapefruit Juice; Purple Plums (prunes); etc.	Satisfactory	Preferred	----- ---
FRESH VEGETABLES			
Onions	Satisfactory	Preferred	----- ---
Potatoes, Irish	Satisfactory	Preferred (Minimum 40°F)	----- ---
Sweet Potatoes	Required (Minimum 55°F)	----- ---	----- ---
Other fresh vegetables, such as Green Beans; Carrots; Cabbage; Beets; Spinach; etc.	----- ---	Required	----- ---
FRESH FRUITS			
Apples; Peaches; Pears; Purple Plums; etc.	----- ---	Required	----- ---
DRIED VEGETABLES			
Beans, High Moisture	Satisfactory for 60 Days	Required over 60 Days	----- ---
Beans, Low Moisture	Satisfactory	Preferred	----- ---

Storage Life Table Continued

Food	Dry Storage (50°-70°F)	Refrigerated Storage (36°-40°F)	Freezer Storage (0° or Below)
DRIED FRUITS			

Apples; Apricots; Peaches	Satisfactory for 2 weeks	Required over 2 weeks	----- -
Figs; Prunes; Raisins; etc.	Satisfactory	Preferred	----- -
GRAIN PRODUCTS (4)			
Regular Cornmeal; Whole Wheat Flour	Satisfactory for 60 Days	Required over 60 Days	----- ---
Degermed Cornmeal; Rice; All- purpose and Bread Flour; etc.	Satisfactory	Preferred	----- ---
MISCELLANEOUS			
Honey (5)	Satisfactory	----- ---	----- ---
Nuts	----- ---	Required	----- ---
Peanut Butter	Satisfactory	Preferred	----- ---

Footnotes:

- (1) Although butter may be safely kept slightly longer than the time listed, the longer it is stored, the greater the chance for flavor loss, shrinkage, and rancidity.
- (2) Freezing cheddar cheese is not recommended because it dries out and crumbles. If cheddar cheese must be frozen, it should be thawed slowly in the refrigerator to reduce crumbling. Freeze cheese only if absolutely necessary and keep in freezer for only a few months.
- (3) Non-fat Dried Milk generally is stored in cool dry areas but will tolerate freezing. Non-fat dry milk, when exposed to the air, becomes lumpy and flavor may change. It should be stored in a cool, dry place.
- (4) All purpose flour, cornmeal and rice should be stored under cool, dry conditions. The major problem is protection against dampness, insects, and rodents. Low temperatures, thirty-two degrees Fahrenheit to forty degrees Fahrenheit, protect against insects. Relative humidity greater than 70% leads to mustiness. Best storage conditions are at temperatures below fifty degrees Fahrenheit, and approximately 60% relative humidity.
- (5) Honey may crystallize with age or if stored under refrigeration.

5300 Disposition of Unusable Commodities

Commodities should always be handled, stored and used in such a manner as to minimize the amount of product that becomes unusable. "Unusable product" means food that has become unusable because of infestation or other spoilage; food that is damaged in shipping storage or handling; and/or food that is found to contain foreign matter. Unusable foods shall not be used for human consumption and shall be disposed of according to the procedures that follow in this manual section.

5301 Reporting of Unusable Products

All commodity products distributed through NSIP are of a perishable or semi-perishable nature. When products become unusable it must be reported according to the procedures in 5301.2. Food which is "**unaccounted for**" is not to be considered unusable and must be reported as indicated in Section 6302.4.

5301.1 Any quantity of products that have been damaged while in transit to the participating facility should not be accepted by the facility if the foods are unusable. The facility should point out the damage to the truck driver and have the driver correct the actual quantity received on the delivery receipt. A facility should not sign a delivery receipt if the amount actually received is different from the quantities shown. (See Section 4202.3 for details).

5301.2 **Products in quantities of greater than one case or bale, which have become unusable or have been discovered to be unusable after facilities have received them, must be reported to SRS.** It is the responsibility of the participating facility to complete the following activities:

- (1) Determine the total amount of cases/packages involved.
- (2) Stop using any products that are determined or suspected to be unusable.
- (3) Investigate the possible reasons for the food becoming unusable and (if possible) correct the problem to avoid additional losses.
- (4) Maintain adequate care for the products in question, segregate from usable products if risk of infestation or contamination exists, and hold products until disposition instructions are given by the SRS Food Distribution Unit.
- (5) Contact the SRS Food Distribution Unit within three (3) working days from the date of discovery in order to report the unusable products and obtain disposition instructions. The report must include the facts surrounding the incident, including the amount of unusable foods if it is in excess of one case or bale. In situations where the unusable product is less than one case or bale, the facility shall document the loss in their inventory records and destroy the products according to guidelines in Section 5303.

- (6) Carry out disposition instructions received from the SRS Food Distribution Unit and submit a written summary of the circumstances surrounding the food becoming unusable, including the total quantity of products involved. This summary report should include a signed statement from the person(s) who witnessed the destruction of the products. See Section 5303 for detailed destruction instructions. The summary should clearly identify the date the products were delivered to the facility and also include (if applicable) any health department reports and recommendations as well as any corrective action(s) that have been taken to assure no further food will become unusable.

5302 Food Distribution Unit Disposition Activities

For situations in which the unusable commodity is in excess of one case or bale of products, participating facilities are required to report the quantity involved and the reasons for the food becoming unusable to the SRS Food Distribution Unit (See Section 5303). Once a report is received by SRS, the following steps shall be taken:

- (1) Advise the participating facility to: maintain adequate care for the products, segregate from usable products if risk of infestation or contamination exists, and hold products until disposition instructions are given.
- (2) Review the circumstances and causes of the food becoming unusable and determine the value of the total amount of food involved.
- (3) Based upon the value and quantity of the food involved, determine whether or not the food should have a Health Department inspection prior to being destroyed. USDA may make decisions and provide instructions regarding food inspections and product disposal in certain situations.
- (4) Determine if the food became unusable due to neglect, carelessness, or willful mishandling on the part of the participating facility and take necessary claim action as stated in Section 8000.
- (5) Issue destruction and/or disposition instructions to the participating facility.
- (6) Report to USDA any and all losses according to USDA requirements.
- (7) Monitor statewide incidents of food becoming unusable and, when possible, adjust NSIP policies/procedures in order to minimize these occurrences.

5303 Destruction of Unusable Products

Because of the nature of food, the packaging of some products and the variations in handling of products prior to use, it is expected that some products will become unusable and must be destroyed. Participating facilities shall have authority to destroy unusable USDA products in quantities up to one full case or bale. Any

greater quantities must not be destroyed without prior SRS approval (See Section 5302). Inventory records must clearly reflect any quantity destroyed. Any unusable commodities shall be destroyed in the following manner:

- (1) Destruction of unusable commodities should be accomplished in a manner that will avoid misunderstanding and unnecessary public concern. Products should be removed from cases, bales, and/or packages in which USDA markings are present. This is to ensure that unusable products are not mistaken for usable products.
- (2) Products should be cut, shredded, dissolved, buried or destroyed in such a manner as to assure that they cannot be used for human consumption.
- (3) The destruction must be completed in such a manner as to conform to applicable federal, state and local health standards.
- (4) If the quantity of unusable food being destroyed is greater than one case or bale, this destruction process must be supervised and witnessed by a person(s) designated by the facility. A signed statement that the unusable products were destroyed in an appropriate manner shall be submitted to the SRS Food Distribution Unit from the designated witness and shall be included in the summary report (See Section 5301).

6000 Record Keeping/Reporting

Commodities are valuable. The value of each product depends upon the purchase price at the time the Federal government acquires them. Ordinarily the value of goods is consistent with similar products sold on the open market.

Since commodities are valuable, and since federal money has been spent to purchase these foods, accountability for these products is of utmost importance.

USDA requires that states be able to account for all USDA products received through NSIP. This accountability begins with the acceptance of commodities by SRS and continues through the time recipients receive the commodities.

In order to assure that adequate accountability for commodities is maintained, it is necessary for certain records to be kept and for certain reports to be completed as follows:

6100 Inventory Records

At each level of the distribution process it is necessary to keep adequate inventory records.

6101 SRS

SRS Food Distribution Unit is responsible for establishing and maintaining inventory records for all commodities received by the state and distributed to NSIP participating facilities.

6102 Participating Facilities

Once an NSIP Facility signs a Delivery Receipt (See Exhibit B) and takes possession of the commodities, the facility must keep adequate inventory and usage records. These records shall (at a minimum) include:

6102.1 A record of the receipt date and amount of commodities received each time any commodity is given to the Facility through NSIP. The Delivery Receipt (Exhibit B) can be used for this purpose.

6102.2 Ongoing inventory records must be maintained for each food item received by the facility. Exhibit E, Inventory of Commodities in Storage, provides an example of the minimum acceptable inventory record which must be maintained. Exhibit E may be used by participating facilities, or facilities may develop their own inventory records as long as the following information is included:

- (1) Type of food received (i.e., butter, flour, honey),
- (2) pack size/type container (i.e., 36/1# blocks, 1/50# bag),
- (3) quantity of food on hand (beginning/ending inventory),
- (4) quantity of food received,
- (5) quantity of food used, and
- (6) any loss that occurred as a result of damage, spoilage and/or products which are unaccounted for.

NOTE: Inventory records must reflect full case quantities. A facility may choose to keep additional records by the individual package unit (i.e., can or bag).

6200 Participation Records

SRS and all facilities are required to maintain accurate and complete participation records. These records document and reflect the activity generated in the implementation of the commodity program.

6201 SRS

SRS Food Distribution Unit is responsible to establish and maintain statewide participation summary records including:

- (1) Number of facilities participating,
- (2) total number of all persons served in participating facilities,
- (3) number of meals served at all NSIP participating facilities,
- (4) other documents and correspondence as specified in Section 6400.

6202 Participating Facilities

Each participating facility shall maintain documents and correspondence as specified in Section 6400.

6300 Reporting

Since accountability is important in the administration of the commodity program, USDA requires participating states to monitor the activity of participating facilities. Certain reports are necessary in order to fulfill the monitoring requirements. Accurate information must be received from participating facilities through reports or certification forms, etc. SRS and participating facilities must report as follows:

6301 Food Distribution Unit

Food Distribution Unit shall obtain information as necessary in order to fulfill USDA or SRS reporting requirements.

6302 Participating Facilities

Participating facilities shall be required to supply any reports necessary to fulfill SRS, USDA, or other reporting requirements regarding the operations of the commodity program. At a minimum, facilities must provide:

6302.1 Every year a commodity recertification form will be sent to the facility to update SRS records. Items to keep record of along with the recertification form include, but are not restricted to:

- (1) update in number of meals served;

- (2) major changes in policies affecting eligibility to receive commodities; and
- (3) update of food handling and record keeping policies/procedures.

6302.2 Records of the required annual inventory must be kept on site. A monthly inventory of quantities on hand must also be kept on site. The inventory is used by the Food Distribution Unit and the participating facility to monitor the amount of product on hand. Orders may be limited by the Food Distribution Unit if it appears a facility has an excess inventory of any item ordered. Federal Regulations mandate that inventory quantities of any item cannot exceed a six (6) month supply, and inventory must be taken annually (See 1203.14).

Failure (on the part of the facility) to maintain an inventory report according to SRS instructions will result in the suspension of food orders/deliveries to that facility.

6302.3 Any loss of commodities which exceeds one case or bale must be reported to SRS.

6302.4 Any quantity of commodities that is determined to be unaccounted for (while in the care and responsibility of the facility) must be reported to SRS within three (3) working days from the date of discovery.

6302.5 Any changes (from what is listed on the current application) of 30% or more in the total number of persons served by participating facilities must be reported to SRS within thirty (30) days.

6400

Record Retention

USDA requires that ALL records related to the administration, distribution, storage, and receiving of commodities must be retained for a period of three years from the close of the Federal fiscal year to which they apply. Federal fiscal years extend from October 1st of one calendar year through September 30th of the following calendar year.

Records to be kept include, but are not limited, to the following:

- (1) NSIP Commodity Application/Agreement;
- (2) commodity receipt, inventory, and usage records;

- (3) all statements, bills, and payment records which pertain to commodities;
- (4) claim/repayment records (documentation & records regarding claim establishment and collections/repayment activities); and
- (5) correspondence (any and all letters), reports, and other written information regarding commodities.

7000 Billing and Payments

There is no federal funding available to help states pay SRS administrative costs for NSIP. Federal regulations allow states to establish a "user fee" to cover state storage, handling, shipping, and other administrative expenses. The amount of the user fee shall only be sufficient to cover the actual costs of program implementation. SRS shall review its user fee amount and the program costs on an annual basis in order to determine if fund balances are adequate for, or in excess of, program needs. SRS will adjust the user fee amount accordingly. This section details the policies and procedures regarding user fee billing and payments from participating projects for their facilities that use commodities.

7100 Charges

A fixed per case/bale user fee shall be assessed to all participating projects. This charge is to pay the state level administrative costs of the program. This charge is subject to change and SRS reserves the right to adjust the amount of the user fee according to the need. Changes in the user fee will be made only if necessary to meet increased or decreased program expenses and would ordinarily be made no more than once in any given year.

7200 Billing Procedures

Once a project's facilities have received commodities through NSIP and have signed a delivery receipt, the project shall be responsible to pay the applicable user fee per case/bale received. Each project will be mailed a billing statement following every food delivery (See Exhibit D) to each of the project's facilities.

7300 Payments

Projects shall make payments for the total amount due as indicated on the billing statement for the commodities provided through NSIP to each of the project's facilities. Payment by check or money order (no cash payments) must be submitted to the address on the billing statement within thirty (30) days following the date of delivery. **Failure to pay within the thirty (30) day time limit will result in the suspension of additional food deliveries.** No deliveries will be made to a project facility having an unpaid account balance.

8000 Claims

USDA requires states to be accountable for all commodities received through NSIP and to take appropriate claim and collection action in certain situations.

SRS, all participating projects, all participating projects facilities, warehousemen, food processors, carriers and other persons are subject to a claim determination and the corresponding repayment responsibility as a result of the following:

- (1) Improper use of commodities;
- (2) Loss of commodities which is caused by neglect, carelessness, and/or willful mishandling. ("Loss" means any quantity of commodities that is unaccounted for or which has become unusable for human consumption); and
- (3) Damage to commodities which is caused by neglect, carelessness and/or willful mishandling.

NOTE: Anytime it is discovered or reported that a situation has occurred involving (1), (2), or (3) above, the procedures outlined in Section 8300 are to be followed.

8100 Establishing Claims

A "claim" is any demand, or basis for a demand, for money or for replacement of a lost or improperly distributed/used commodity. Once the SRS Food Distribution Unit has received all information regarding situations requiring claim action, a claim determination will be made in order to decide the existence or nonexistence of a liability. If it is determined that a claim is necessary, the SRS Food Distribution Unit will do the following:

- (1) Determine the dollar value of the products involved, based upon the USDA replacement cost at the time of the loss or discovery of the loss;
- (2) Determine the liable party(s);
- (3) Contact USDA as mandated by federal instructions regarding the establishment of claims;
- (4) Where appropriate, make three formal written demands for repayment; and/or
- (5) Take legal action for recovery.

8200 Right to File Claims

- (1) USDA may assert claims against liable NSIP participating states.
- (2) SRS may assert claims against liable carriers, warehousemen, processors, participating projects, participating projects facilities or other persons to whom commodities are delivered. SRS is required to take appropriate collection actions in order to obtain restitution where liability is involved.
- (3) Participating projects or their facilities have the right to assert claims. A project or the project's facility may assert a claim in the event a loss or inappropriate use of commodities has occurred. Such claims may be established against persons or companies with whom the project or the project's facility has placed the responsibility for care, handling, or use of commodities (i.e. employees, volunteers, storage facilities, etc.).

Projects and their facilities shall have the right to pursue restitution through appropriate legal channels in addition to claim action taken through this program.

8300 Claim Repayments

Once established, all claims must be repaid.

8301 Repayment to USDA

Claims assessed against SRS by USDA will be dealt with at the state level.

Money received by SRS for the repayment of SRS established claims will be returned to USDA or used by SRS for commodity program funding as mandated by federal regulations.

8302 Repayment to SRS

Claims assessed against participating project's facilities, warehousemen, carriers, and/or other persons by SRS will be completed by the SRS Food Distribution Unit. Repayment of these claims to SRS shall be completed as follows:

- (1) Payments to SRS should be made for the full amount due, unless an approved payment or replacement plan is established with the SRS Food Distribution Unit for the receipt of partial payments.
- (2) Payments should include a message stating that the repayment is for a Commodity Program Claim and should clearly identify the organization making the payment.
- (3) Payments should be made payable to:

Department of Social and Rehabilitation Services

- (4) Payments should be mailed to:

**Dept Social and Rehabilitation Services
EES Food Distribution Unit
915 SW Harrison, 580-W
Topeka, KS 66612-1505**

- (5) The Food Distribution Unit will send an acknowledgment letter after receiving each payment. This letter will include the previous balance, the total current payment received, and the new balance due (if any).

8303 Repayment to Participating Projects or their Facilities

Repayments of claims assessed against employees, volunteers, storage facilities or others by participating projects or their facilities may be handled in several ways.

EXAMPLE: SRS has determined that a participating project or their facility is liable for a loss and has assessed a claim against the project or their facility. The project or their facility determines that an employee, volunteer, storage facility or other person was responsible for the liability and files their own claim or takes legal action against the liable party. The organization receives repayments as a result of a claim they assessed or other legal action taken. This repayment money may be handled as follows:

- (1) If SRS has been paid in full for the claim established against the project or the project's facility, the project or their facility may keep the repayment money;

OR

- (2) If SRS has not been paid in full the project or their facility may contact SRS Food Distribution Unit and work out a payment plan. Money received by the project or their facility as a result of a project or facility claim or other legal action must be used to pay any unpaid claim balance due SRS.

**STATE OF KANSAS
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES**

**NUTRITION SERVICES INCENTIVE PROGRAM
USDA FOOD COMMODITY APPLICATION/AGREEMENT**

****Note: The Recipient Facility must complete this form, but the Recipient Facility and the Facility's supervising Project must sign this form.**

PART A. DESCRIPTION OF RECIPIENT FACILITY

Section I. Identifying Information

A. Facility
Name:

Address:

Street

City

State

Zip

Mailing
Address:

Street

City

State

Zip

Telephone
Number:

After Hours
Number:

Contact
Person:

After Hours
Contact:

E-mail:

Please provide any additional information that may be necessary to make a delivery to your facility.

Please list any other locations that you provide meals for.

Please provide the average daily number of meals served.

Breakfast

Lunch

Dinner

Other

How many days per week are meals served?

Section II. Food Service Operations

Please provide the following information.

A ALL STORAGE AREAS

1. Does the Facility date stamp or otherwise identify the food products in order to assure that products do not become outdated and are used on a "first in/first out" basis?

_____ Yes _____ No (If no, please explain)

2. Is the food properly secured to prevent loss? _____ Yes _____ No (If no, please explain)
-

3. Does the Facility have a pest control contract sufficient to protect USDA commodities?

_____ Yes _____ No (If no, please explain)

a. Contract with (specify company) _____

b. How often is the Facility treated? _____

c. On the last pest control report, were there any problems?

_____ Yes _____ No (If yes, please explain)

4. Are all storage areas neat, orderly and moisture free? _____ Yes _____ No (If no, explain)

5. Are all storage areas (dry, refrigerated, frozen) equipped with thermometers?

_____ Yes _____ No (If no, please explain)

6. Does the Facility plan to (or currently) use commercial storage facilities?

_____ Yes _____ No (If yes, list company, storage address, and attach a copy of the current storage agreement or contract) _____

7. Does the Facility plan to employ the services of a food service management company to conduct its food service operations?

_____ Yes _____ No (If yes, list company, and attach a copy of the current agreement or contract, and complete and attach Exhibit F) _____

B. DRY STORAGE AREA

1. Are the foods stored off the floor? _____ Yes _____ No (If no, please explain)

2. What is the average temperature at which the foods are stored? _____
3. Is there adequate ventilation in all dry storage areas? _____ Yes _____ No (If no, explain)
4. Is the food stored apart from any product or non-food items which might contaminate or
spoil the commodities? _____ Yes _____ No

C. REFRIGERATOR/COOLER STORAGE AREA

1. What is the average refrigerator/cooler temperature at which the foods are stored?
(Specify temperature in each refrigerator/cooler) 1. _____ 2. _____ 3. _____
2. Are the foods stored off the floor in walk-in coolers? _____ Yes _____ No (If no, explain)

D. FREEZER STORAGE AREA

1. What is the average freezer temperature at which the foods are stored?
(Specify the temperature in each freezer) 1. _____ 2. _____ 3. _____
2. Are the foods stored off the floor in walk-in freezers? _____ Yes _____ No (If no, explain)

E. INVENTORY

1. Please describe the Facility's inventory/usage system and record keeping procedures regarding
the receipt, storage and use of foods.
- _____

Section III. Record Keeping (Currently Participating Facilities)

1. Does the Facility maintain the following NSIP commodity records? (Agreement Form, Delivery
Receipts, Payment Records, Inventory forms/records, other letters and NSIP commodity program
correspondence).
- _____ Yes _____ No (If no, please indicate which records are not maintained and why)

PART B. OBLIGATIONS/RESPONSIBILITIES

The Kansas Department of Social and Rehabilitation Services (SRS) will request United States Department of Agriculture Foods to distribute to this Recipient Facility according to the agreement between SRS and USDA, and according to the memorandum of understanding between SRS and the Kansas Department on Aging (KDOA). In order to qualify, full information concerning the Facility will be furnished to SRS on the official state application/agreement form. SRS shall determine eligibility based upon the information provided. Recipient Facilities must meet all applicable state and/or federal regulations prior to participating. The governing body of the Facility (Hereinafter referred to as Recipient Facility) and the Facility's supervising Project also agrees to the terms and conditions as set forth in this agreement.

- 1 The Facility must maintain an established feeding operation on a regular basis as an integral part of its normal activities, and shall not discriminate against any person receiving food because of his/her race, ancestry, color, national origin, sex, age, disability, religion or inability or unwillingness to donate to the Facility. Facilities must be organized for the purpose of providing continuing welfare services in the same place without marked change.
- 2 The Recipient Facility understands that the distribution of commodities requested will be subject to the availability of those commodities.
- 3 The Recipient Facility agrees that available USDA Foods will be requested from SRS only in quantities which can be consumed without waste and based on either the total number of eligibles or the rates of allocation established by SRS or USDA. It is the responsibility of the Facility to demonstrate that the full value equivalent to the USDA cost of all commodities are used solely for the benefit of the Facility.
- 4 SRS will accept USDA foods at the State collection point(s) and will arrange for their delivery throughout the State. Deliveries to the Facilities or nearby points will be made at approximately thirty (30) day intervals for most Facilities but the allocation period may be subject to change according to the number of persons involved, because of geographic location of the Facility, or due to special food offers.
- 5 Following each delivery to a Facility, F & A Food Sales, Inc. or its successor (the State warehouse contractor) will bill the Facility's supervising Project at a fixed rate per case or bale of food delivered. This charge is to pay administrative, handling, storage and transportation costs of operating the program. The supervising Project agrees to pay in full to the F & A Food Sales, Inc. or its successor within thirty (30) days after the date of the delivery. Failure by any supervising Project to make payment within thirty days following the date of the delivery will constitute reason to suspend the program for such Project's Facility(ies) until payment of the delinquent account is made in full.
- 6 USDA foods received under this agreement will be used solely in prepared meals for the benefit of those persons served or assisted through the Nutrition Program for the Elderly by the Recipient Facility. USDA foods will not be otherwise disposed of or used for demonstrations, tests, or transferred to another Facility or program without prior written approval of SRS. Under no circumstances will USDA foods be sold or traded for other goods or services.
- 7 Facilities for proper handling and storing of commodities requested and accepted will be provided by the Recipient Facility. SRS and USDA are authorized to inspect at any reasonable time the USDA foods in storage or the facilities and warehouses used in handling or storage of USDA foods. The Recipient Facility further agrees to: maintain proper inventory records and controls, keep its storage facilities sanitary, free from rodents, birds, insects, and other animal infestation, clean, dry, orderly, install thermometers, provide suitable ventilation, provide locks for storerooms, provide specified temperatures for certain commodities within their own buildings or in commercial cold storage, use all items on the basis of first in-first out, and take other steps as may be necessary in order to maintain the fitness for human consumption of USDA commodities.
- 8 The Recipient Facility and the Supervising Project jointly and severely assume liability for (1) all

losses or damages to USDA commodities caused by its own fault or negligence; and (2) improper use of USDA commodities. Claims arising thereof may be levied by SRS against the Recipient Facility to recover the monetary value of USDA commodities so lost or misused. The Recipient Facility and supervising Project will immediately notify SRS of (1) any losses, (2) "out-of-condition" commodities received or in storage or (3) excess inventories which cannot be used, and will await/follow disposition instructions from SRS.

- 9 Containers received with the foods from USDA will be destroyed and will not be reused or sold.
- 10 Projects that employ food service companies for the feeding of the Facility's recipients will be eligible to receive USDA foods. The Supervising Project will present the contract to SRS for approval before the Project's Facility can be certified as eligible to receive USDA foods. The terms of the contract must be in effect for no longer than one year, may be extended at the option of both parties for four additional one-year periods and may be terminated for cause by either party upon 30 days notice. All state and federal regulations regarding the processing of USDA foods will have to be met before SRS will approve any food service/processing contract. **Do not under any circumstances provide commodities to processors or food service companies without prior approval of the SRS Food Distribution Unit. (See 2104 for details.)** Any commodities received by the Facility and made available to the food service company shall be used only for the benefit of the Facilities feeding operation and shall be utilized there. The books and records of the food service company pertaining to the feeding operation of the Facility shall be available for a period of three (3) years from the close of the Federal fiscal year to which they pertain for inspection and audit by representatives of SRS and USDA. A Food Service Company Contract Addendum (See Exhibit F) must be executed between the supervising Project and the food service company before such company may agree to prepare USDA food. This Food Service Company Contract Addendum must be completed with and be attached to the application/agreement form. The addendum form provides detailed basic requirements for Recipient Facilities that utilize food service companies in preparing USDA foods. A new Food Service Company Contract Addendum is required for each subsequent certification period.
- 11 Records pertaining to the receipt and use of commodities will be kept for a period of not less than three years from the close of the current Federal Fiscal Year. Reports will be furnished to SRS as required.
- 12 The Recipient Facility will permit SRS and/or USDA personnel to inspect at any reasonable time the USDA foods in storage, or the facilities or warehouse used in the handling or storage of USDA foods. The Recipient Facility will also make available to SRS and to USDA personnel for examination and audit at any reasonable time and place all accounts and records, including financial accounts, pertinent to the Nutrition Services Incentive Program commodity program.
- 13 The Recipient Facility agrees to report to SRS any complaints of irregularities in connection with the receipt and use of USDA commodities.
- 14 The Recipient Facility hereby agrees that it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112), Age Discrimination Act of 1975 (P.L. 94-135 and all requirements imposed by the regulations of the Department of Agriculture (7 CFR Part 15), Department of Justice (28 CFR Parts 42 and 50) and FNS directives or regulations issued pursuant to that Act and the regulations to the effect that, no person in the United States shall, on the ground of race, ancestry, color, national origin, age, sex, religion or disability, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under any program or activity; and hereby gives assurance that it will immediately take any measures necessary to effectuate this agreement.

This assurance is given in consideration of and for the purpose of obtaining any and all Federal financial assistance, grants and loans of Federal funds, reimbursable expenditures, grant or donation of Federal property or the furnishing of services without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale, lease or furnishing of services to the recipient, or any improvements made with Federal financial assistance extended to the program applicant by the

Department.

This includes any Federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance such as food, cash assistance for purchase or rental of food service equipment or any other financial assistance extended in reliance on the representations and agreements made in this assurance.

By accepting this assurance, the Recipient Facility agrees to permit effective enforcement of Title VI and permit authorized Distributing Agency and USDA personnel during normal working hours to review as needed to ascertain compliance with Title VI. If there are any violations of this assurance, the Department of Agriculture, Food and Nutrition Service, shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Recipient Facility, its successors, transferees, and assignees as long as it receives assistance or retains possession of any assistance from the Department. The person or persons whose signatures appear below are authorized to sign this assurance on the behalf of the program applicant.

- 15 Notwithstanding any other provisions, SRS may immediately terminate this agreement upon receipt of evidence of (1) noncompliance or (2) loss of funding source. Either SRS or the Recipient Facility may terminate this agreement by giving thirty (30) days notice in writing to the other party. Subject to (1) such notice of termination or (2) upon non-approval of a subsequent application, the Recipient Facility agrees to comply with the instructions from SRS to either (1) utilize all remaining inventories of USDA commodities in accordance with the provisions of this agreement, or (2) transfer the remaining inventories to another eligible recipient agency designated by SRS. The Recipient Facility or the Facility's supervising Project agrees to (1) bear all costs incurred relating to such transfer and (2) transmit such reports as may be required by the State Agency to record final disposition.

PART C. AGREEMENT COMPLIANCE

I hereby certify that the contents of this agreement have been carefully read by the person or persons having control over the consummation of agreements for this Facility, that all the information in this form is complete and correct to the best of my knowledge, and the Facility will accept all obligations as contained herein. This agreement replaces any existing agreements between SRS and the Recipient Facility. Upon the execution of this agreement, any such prior agreements shall be considered null and void.

Name of Facility Representative
(Who filled out this form)

Signature

Title of Facility Representative

Date

Name of Facility's Supervising Project
Representative (Please type or print)

Signature

Title of Facility's Supervising Project
Representative

Date

FOR AGENCY USE ONLY

_____ Initial Agreement

_____ Redetermination

Date Agreement Received

DETERMINATION PERIOD

Date Agreement Processed

From: _____

Thru: _____

Disposition (check one)

Appr
oved

Denie
d

_____ *

Signature of Eligibility Worker

*Denial Comments Below:

Date

CUSTOMER PHONE NO.		P.O. NO.			
ORDER #	CUSTOMER #	SLSM	DATE	INVOICE	PAGE

SOLD TO	SRS EES [CITY] - NSIP FOOD DIST 915 SW HARRISON DSOB 681-W TOPEKA KS 66612	SHIP TO	CUSTOMER NAME % NAME ADDRESS CITY STATE ZIP	CUST # NSIP	TERMS MONTHLY / BY 10TH	SHIP VIA
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PICKED BY	CHECKED BY	All claims for damages or shortages must be made upon receipt of merchandise. Returned merchandise may be subject to 10% restocking fee. If this account is placed for collection, customer agrees to pay reasonable attorney's fees and related costs. Past due accounts accrue interest charges at the maximum legal rate.	CUSTOMER SIGNATURE
DELIVERED BY			

ROUTE	STOP	SPECIAL INSTRUCTIONS ➤	
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SLOT	QTY	UNIT	PACK	SIZE	DESCRIPTION	ITEM NO.	PRICE	PRICE EXT.
H-220A	20	CS	24	1 LB	NSIP MACARONI USDA	82511	2.60	52.00
H-222A	20	CS	24	NO 300	NSIP SLI POTATOES-CND USDA	82517	2.60	52.00
H-225A	20	CS	24	NO 300	NSIP APPLESAUCE USDA	82576	2.60	52.00
H-234A	10	CS	24	NO 300	NSIP PEACHES-CLING USDA	82521	2.60	26.00
H-237A	10	BAG	1	25 LB	NSIP DRY PEA BEANS USDA	82555	2.60	26.00
H-239A	24	CS	24	NO 300	NSIP TOMATOES -CANNED USDA	82533	2.60	62.40
I-228A	20	CS	12	13 OZ	NSIP RICE CEREAL USDA	82553	2.60	52.00
I-232A	5	CS	6	4 LB	NSIP INSTANT DRY MILK USDA	82512	2.60	13.00
					** TOTAL GROCERY	**		
N-124A	10	CTN	4	10# AVG	NSIP BEEF CHUCK ROAST USDA	82537	2.60	26.00
N-132A	15	CS	12	2 LB	NSIP PEACHES -SLC/FRZ USDA	82520	2.60	39.00
N-133A	50	CS	4	14-16 LB	NSIP TURKEY BREAST USDA	82586	2.60	130.00
N-134A	5	CS	1	30 LB	NSIP BLUEBERRIES CULT USDA	82498	2.60	13.00
					** TOTAL FROZEN FOODS	**		

TOTAL CASES	ODD PIECES	SHIP WEIGHT	CUBE	SALES TAX	PAY THIS AMOUNT
209	0	7902	231.4		

COMMODITY PROGRAM ORDER FORM FOR NSIP PROJECTS JOHNSON AREA 2000

ORDER NUMBER:

1002003/4567

WT4

Contact Name

Facility Name

Address

City, State Zip

DELIVERY INFORMATION

Delivery Address: (Only if a change)

Delivery Date: October 19, 2000

THIS ORDER MUST BE RETURNED BY _____

(Orders received after this date may not be processed.)

NOTE: *\$10.00 drop charge for monthly orders less than 10 cases.**Due to limited shelf life, all frozen and refrigerated foods cannot be stored at F&A Food Sales for an extended period of time. These products must be ordered and used soon after being made available.**

Below is the list of USDA foods which are available to your facility. Please indicate the total number of cases you wish to order in the blank beside each item. Food can only be received monthly, so quantities must be ordered accordingly. NSIP Projects must never order quantities of foods that they cannot provide adequate storage for, or use without waste. Foods ordered will be delivered as indicated in the Delivery Information section above. SRS reserves the right to reduce order quantities in the event of product unavailability. **Questions about order, call Lori Allen 785-368-8120.**

CASES	ITEM#	PRODUCTS	PACKAGING	CASES	ITEM#	PRODUCTS	PACKAGING
		2000 Entitlement				2000 Bonus	
	82133	Corn, Frz	1/30-lb		82251	Salmon Pouch	6/4-lb
	82270	Turkey Roasts	4/10-lb		82108	Apricots, Cnd	6#10
	82254	Chicken Diced	4/10-lb		82161	Blackeyed Beans	6#10
	82136	Peas, Frz	1/30-lb		82103	Cherries, Frz IQF	1/40-lb
					82282	Cherries, Frz	12/2.5-lb

NOTE: Please sign and return this form in the envelope provided. We will e-mail a message for verification of your order.

Signature of Facility Representative

Date

AGENCY USE ONLY

Date Sent: September 12, 2000

Date Received:

(Company Logo & Address Info)

FINANCE CHARGES of 18% annual percentage rate charged on all PAST DUE Balances.

TO INSURE PROPER CREDIT, RETURN THIS PORTION WITH YOUR PAYMENT.

RMS– MONTHLY: Balance due by the 10th of the month following purchase.

50
950

DATE

PAGE

DATE

PAGE

9/17/96

1

9/17/96

1

FRIENDSHIP MEALS-SCOTT CITY		CUSTOMER NUMBER		FRIENDSHIP MEALS-SCOTT CITY	
JAN BONINE-NSIP	3086003	2534		JAN BONINE-NSIP	3086003
BCCC RT 3 BOX 136Z				BCCC RT 3 BOX 136Z	
GREAT BEND KS 67530				GREAT BEND KS 67530	

CUSTOMER NUMBER

2534

CK # \$

TRANSACTION DATE	DESCRIPTION	INVOICE NUMBER	TRANSACTION	BALANCE DUE	INVOICE NUMBER	BALANCE DUE
8/14/96	INVOICE	675454	77.00	77.00	675454	77.00
	NET DUE INVOICE	675454				
9/11/96	INVOICE	693044	73.50	73.50	693044	73.50
	NET DUE INVOICE	693044				
CURRENT	31-60 77.00	61-90 .00				
91-120 .00	OVER 120 .00					
AMOUNT NOW DUE ➤			150.50		PLEASE PAY THIS AMOUNT ➤	150.50

Inventory Date:

Person Taking Inventory:

Please Report in Full Case Amounts *If monthly "loss" of any item is greater than one case/bailer, contact the SRS Food Distribution Unit immediately.

[illegible]

Food Service Company Contract Addendum

Recipient Project	
Address (Street, City, State, Zip Code)	
Recipient Project's Facility	
Address (Street, City, State, Zip Code)	
Food Service Company	
Address (Street, City, State, Zip Code)	
<p>This is an Addendum to the original contract between this Recipient Project and this Food Service Company.</p> <p>(1) Any USDA foods received by the Recipient Project's Facility and made available to the food service company shall be utilized solely for the purpose of providing benefits (See (2)) for the Recipient Project's food service operation.</p> <p>(2) It is the responsibility of the Recipient Project to demonstrate that the full value equivalent to the USDA cost of all food commodities are used solely for the benefit of the Recipient Project.</p> <p>(3) The books and records of the food service company pertaining to the food service operation of the Recipient Project shall be available and maintained for a period of three years from the close of the federal fiscal year to which they pertain.</p> <p>(4) The original contract shall be subject to review by the distributing agency or it's authorized representatives for compliance with requirements of the Food Distribution Program.</p> <p>(5) The original contract shall be effective from <u>January 1, 2008</u> to <u>December 31, 2008</u> . (date) (date)</p> <p>The agreement shall be in effect for no longer than one year and shall provide that it may be extended at the option of both parties for four additional one-year periods.</p> <p>(6) Contracts may be terminated for cause by either party upon 30 days notice.</p> <p>(7) When the contract is extended, Recipient Project must update all pertinent information contained in this document and must be able to demonstrate that all USDA food received during the previous contract period has been accounted for.</p>	
Recipient Project	Food Service Company
Authorized Representative (Name & Title)	Authorized Representative (Name & Title)
Signature Date	Signature Date